GOVERNMENT OF INDIA
CHEMICALS AND FERTILIZERS
LOK SABHA

UNSTARRED QUESTION NO:1025
ANSWERED ON:27.02.2006
PAYMENT OF SUBSIDY TO PHOSPHATIC FERTILIZER PRODUCERS
Athithan Shri Dhanuskodi

Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) the amount of subsidy on fertilizers paid to phosphatic fertilizer producers during the last three years;

(b) whether any complaint has been received against phosphatic fertilizer producers for the poor quality of product and bogus claims for subsidy;

(c) If so, the details thereof and the action taken against the defaulters; and

(d) the procedure adopted to verify the claims for the subsidy?

Answer

MINISTER OF STATE IN THE MINISTRY OF CHEMICALS & FERTILIZERS AND MINISTER OF STATE IN THE MINSTRY OF PARLIAMENTARY AFFAIRS (SHRI B.K. HANDIQUE)

(a): The amount of subsidy paid to phosphatic fertilizer producers in respect of DAP, Complexes and SSP during the last three years is as follows:-

Yea	Amount of subsidy paid (Rs. in crore)
2002-03	2488.00
2003-04	2606.00
2004-05	3977.00

(b) & (c): Reports from the State Government of Himachal Pradesh were received that during the months of November and December, 2004, M/s. Prem Sakhi Fertilizer Ltd., Udaipur and M/s. Bohra Industries Ltd., Udaipur had supplied sub-standard Single Super Phosphate (SSP) in that State. Similarly, reports from the State Government of Bihar were also received that M/s. Oswal Chemicals & Fertilisers Ltd. (OCFL) had supplied sub-standard DAP in November, 2004 in the State. News had also appeared that M/s. OCFL had supplied sub-standard DAP in Punjab also. Department of Fertilizers withheld the payment of concession received by the above companies in respect of the sub-standard sales. The State Governments also took requisite action against the above companies under the Fertilizer Control Order, 1985 for supply of sub-standard fertilizer.

(d): The procedure to verify the claims for the subsidy is governed under the guidelines dated 5.8.2002 on Concession Scheme of decontrolled phosphatic & potassic (P&K) fertilizers. The manufacturers are released 85% `On account` payment and the balance payment is released to them on the certification of sales by the State Governments in the prescribed Proforma.